# GOVERNMENT OF INDIA
# COAL
# LOK SABHA

UNSTARRED QUESTION NO:3454
ANSWERED ON:14.08.2001
DISTRIBUTION MARKETING OF COAL
BASUDEB ACHARIA

**Will the Minister of COAL be pleased to state:**

(a) whether Indian Institute of Management in itsreport suggested that the system of distribution and marketing of coal cannot be succeeded unless the pit head sales and pit head access to the buyers are abolished;

(b) if so, the details thereof;

(c) whether there has been erosion in CIL market share after reduction of import duties on coal;

(d) if so, the details thereof; and

(e) the efforts being made by CIL to regain the market share?

## Answer

THE MINISTER OF STATE FOR COAL (SHRI SYED SHAHNAWAZ HUSSAIN)

(a)&(b) Indian Institute of Management (IIM),in their report of 1997 on study on marketing strategy for Coal India Limited(CIL), have recommended centralised marketing structure. IIMreport advocates various steps to be considered for re-orienting the marketing structure, including avoidance of sales at pithead.

(c)to(e): Coal imports are under Open General Licence(OGL). Thebasic customs duty on coking coal of less than 12% ash has been 5% for the last many years. However, the basic customs duty on non-coking coal which was 85% in 1992-93 was reduced in stages and became 10% in 1997-98. At the instance of the Ministry of Coal, the basic duty on non- coking coal was increased to 25% in 2000-01. Consumers have been importing coking coal and low ash non-coking coal primarily due to inadequate availability indigenously. Total coal imports in 2000-01 were around 21 million tonnes, which was about 7% of the total domestic production of around 310 million tonnes.